



SO ORDERED.

SIGNED this 5 day of April, 2022.

A handwritten signature in blue ink, reading "David M. Warren".

David M. Warren
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION**

IN RE:

CASE NO. 22-00397-5-DMW

BAXLEY CORPORATION, LLC

CHAPTER 7

DEBTOR

**ORDER PURGING CONTEMPT OF BRANDON BAXLEY
AND DIRECTING RELEASE OF BRANDON BAXLEY
FROM CUSTODY OF THE UNITED STATES MARSHALS SERVICE**

This matter comes before the court upon the Emergency Motion for Order Finding Contempt to be Purged filed by Brandon Baxley ("Mr. Baxley") on April 5, 2022. The court conducted a telephonic hearing on April 5, 2022. Travis Sasser, Esq. appeared for Mr. Baxley, James B. Angell, Esq. ("Trustee") and Savannah E. Lavender, Esq. appeared for the Trustee in his capacity as Chapter 7 trustee for Baxley Corporation, LLC ("Debtor"), William H. Kroll, Esq. appeared for Martha Baxley, and Brian C. Behr, Esq. appeared for the United States Bankruptcy Administrator. Based upon the court record and representations of counsel, the court makes the following findings of fact and conclusions of law:

1. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) which the court has the authority to hear and determine pursuant to 28 U.S.C. § 157(b)(1). The court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 157(a) and 1334 and the General Order of Reference

entered on August 3, 1984 by the United States District Court for the Eastern District of North Carolina.

2. The Debtor filed a voluntary petition for relief under Chapter 7 of the United States Bankruptcy Code on February 23, 2022, and the court appointed the Trustee to administer the case pursuant to 11 U.S.C. § 704.

3. On March 30, 2022, the court conducted a hearing upon the Order to Show Cause entered on March 21, 2022. At this hearing, the court found Mr. Baxley in civil contempt for his failure to comply timely with the Order Directing a Rule 2004 Examination (“Rule 2004 Order”) entered on March 10, 2022, and the court directed the United States Marshals Service (“USMS”) to arrest and detain in custody Mr. Baxley until determination by the court that Mr. Baxley has purged his contempt. This ruling was memorialized in an Order Holding Brandon Baxley and Martha Baxley in Contempt, Imposing Sanctions, and Directing Apprehension and Detention of Brandon Baxley (“Contempt Order”) entered on March 30, 2022.

4. Since being taken into custody by the USMS, Mr. Baxley has produced many of the documents and information to the Trustee pursuant to the Rule 2004 Order, and Mr. Baxley requests that he be purged of his civil contempt and released from custody. The Trustee stated that although not all requested documents have been located or produced, the Trustee is satisfied that Mr. Baxley is cooperating with the Rule 2004 Order. The court will allow Mr. Baxley to be released from custody, provided that he complies with the terms and conditions set forth herein; now therefore,

It is ORDERED, ADJUDGED and DECREED as follows:

1. Mr. Baxley be, and hereby is, purged of his civil contempt as set forth in the Contempt Order, subject to the terms and conditions set forth herein;
2. The USMS be, and hereby is, directed to release Mr. Baxley from its custody;
3. This release is conditional, and Mr. Baxley is subject to subsequent immediate arrest and detention upon a showing he has failed to meet the following conditions of his release:
 - a. Failure to cooperate with the Trustee or to comply with the Rule 2004 Order or other orders of the court; and
 - b. Failure to reimburse timely the estate for the costs associated with this contempt proceeding. The costs shall be evidenced by the timely filing of an affidavit by the Trustee as provided in the Contempt Order and any expenses incurred by the USMS associated with Mr. Baxley's apprehension and detention; and
4. The Show Cause Hearing schedule for April 13, 2022 will remain on the calendar for further review of the unresolved contempt issues remaining before the court.

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